

WHAT IS CLAIMED IS:

1. A computerized method of characterizing relative risks associated with a plurality of financial products, comprising the steps of:
 - a) identifying one or more risk classes associated with the plurality of financial products;
 - b) determining, for each of the risk classes, an expected occurrence rate;
 - c) dividing the expected occurrence rates determined in step b by an average rate to determine a relative risk ratio for each of the risk classes; and
 - d) comparing the relative risk ratios to characterize the relative risks associated with the plurality of products.
2. The computerized method of Claim 1, wherein said one or more risk classes are associated with one or more criteria, and further comprising the steps of modifying one or more of said criteria and repeating steps b, c and d to determine an impact of said modification on the relative risks associated with the products.
3. The computerized method of Claim 1, wherein one or more of said risk classes are associated with different criteria, and wherein said relative risk ratios are used to compare said risk classes.
4. The computerized method of Claim 1, further comprising the step of using the relative risk ratio to redefine one or more of said risk classes.

5. The computerized method of Claim 1, further comprising the step of determining a separate relative risk ratio for sub-groups of risks.

6. The computerized method of Claim 1, further comprising the step of storing data relating to prevalence of criteria associated with said risk classes for use in determining the relative risk ratios.

7. The computerized method of Claim 6, further comprising the steps of comparing the prevalence data to industry empirical data for particular combinations of criteria and, if necessary, adjusting the stored data to agree with the empirical data.

8. The computerized method of Claim 1, further comprising the step of storing data relating to the expected occurrence rates for use in determining the relative risk ratios.

9. The computerized method of Claim 8, further comprising the steps of comparing the stored data to industry empirical data and, if necessary, adjusting the stored data to agree with the empirical data.

10. The computerized method of Claim 2, further comprising the step of using the relative risk ratio to determine an impact on a risk class of including in that class one or more risks that do not meet one or more of the criteria associated with that class.

11. A method of characterizing relative mortality risks for a plurality of preferred insurance products, comprising the steps of:

a) identifying one or more preferred risk classes associated with the

plurality of preferred insurance products;

b) determining, for each of the preferred risk classes, an expected mortality rate;

c) dividing the expected mortality rates determined in step b by an average mortality rate for standard risks to determine a relative preferred risk ratio for each of the preferred risk classes; and

d) comparing the relative preferred risk ratios to characterize the relative mortality risks for the plurality of products.

12. The method of Claim 11, wherein said one or more preferred risk classes are associated with one or more underwriting criteria, and further comprising the steps of modifying one or more of said criteria and repeating steps b, c and d to determine an impact of said modification on the relative mortality risks for the products.

13. The method of Claim 11, wherein one or more of said preferred risk classes are associated with different underwriting criteria, and wherein said relative preferred risk ratios are used as a standard to compare said risk classes.

14. The method of Claim 11, further comprising the step of using the relative preferred risk ratio to redefine one or more of said preferred risk classes.

15. The method of Claim 11, further comprising the step of determining a separate relative preferred risk ratio for sub-groups of risks, based on at least one of gender, issue age, smoking status and policy duration.

16. The computerized method of Claim 11, further comprising the step

of storing data relating to prevalence of criteria associated with said risk classes for use in determining the preferred relative risk ratios.

17. The computerized method of Claim 16, further comprising the steps of comparing the prevalence data to industry empirical data for particular combinations of criteria and, if necessary, adjusting the stored data to agree with the empirical data.

18. The computerized method of Claim 11, further comprising the step of storing data relating to the expected occurrence rates for use in determining the relative risk ratios.

19. The computerized method of Claim 18, further comprising the steps of comparing the stored data to industry empirical data and, if necessary, adjusting the stored data to agree with the empirical data.

20. The computerized method of Claim 12, further comprising the step of using the preferred relative risk ratio to determine an impact on a preferred risk class of including in that class one or more risks that do not meet one or more of the criteria associated with that class.

21. A computerized system for characterizing relative risks associated with a plurality of financial products, comprising:

a) means for identifying one or more risk classes associated with the plurality of financial products;

b) means for determining, for each of the risk classes, an expected

occurrence rate;

c) means for dividing the expected occurrence rates by an average rate to determine a relative risk ratio for each of the risk classes; and

d) means for comparing the relative risk ratios to characterize the relative risks associated with the plurality of products.

22. The computerized system of Claim 21, wherein said one or more risk classes are associated with one or more criteria, and further comprising means for modifying one or more of said criteria and re-determining the relative risk ratio to determine an impact of said modification on the relative risks associated with the products.

23. The computerized system of Claim 21, wherein one or more of said risk classes are associated with different criteria, and wherein said relative risk ratios are used to compare said risk classes.

24. The computerized system of Claim 21, further comprising means for using the relative risk ratio to redefine one or more of said risk classes.

25. The computerized system of Claim 21, further comprising means for determining a separate relative risk ratio for sub-groups of risks.

26. The computerized system of Claim 21, further comprising means for storing data relating to prevalence of criteria associated with said risk classes for use in determining the relative risk ratios.

27. The computerized system of Claim 26, further comprising means

for comparing the prevalence data to industry empirical data for particular combinations of criteria and means for adjusting the stored data to agree with the empirical data.

28. The computerized system of Claim 21, further comprising means for storing data relating to the expected occurrence rates for use in determining the relative risk ratios.

29. The computerized system of Claim 28, further comprising means for comparing the stored data to industry empirical data and means for adjusting the stored data to agree with the empirical data.

30. The computerized system of Claim 21, wherein said one or more risk classes are associated with one or more criteria, and further comprising means for using the relative risk ratio to determine an impact on a risk class of including in that class one or more risks that do not meet one or more of the criteria.

31. A system for characterizing relative mortality risks for a plurality of preferred insurance products, comprising:

a) means for identifying one or more preferred risk classes associated with the plurality of preferred insurance products;

b) means for determining, for each of the preferred risk classes, an expected mortality rate;

c) means for dividing the expected mortality rates by an average mortality rate for standard risks to determine a relative preferred risk ratio for each of the preferred risk classes; and

d) means for comparing the relative preferred risk ratios to characterize the relative mortality risks for the plurality of products.

32. The system of Claim 31, wherein said one or more preferred risk classes are associated with one or more underwriting criteria, and further comprising means for modifying one or more of said criteria and re-determining the relative risk ratio to determine an impact of said modification on the relative mortality risks for the products.

33. The system of Claim 31, wherein one or more of said preferred risk classes are associated with different underwriting criteria, and wherein said relative preferred risk ratios are used as a standard to compare said risk classes.

34. The system of Claim 31, further comprising means for using the relative preferred risk ratio to redefine one or more of said preferred risk classes.

35. The system of Claim 31, further comprising means for determining a separate relative preferred risk ratio for sub-groups of risks, based on at least one of gender, issue age, smoking status and policy duration.

36. The system of Claim 31, further comprising means for storing data relating to prevalence of criteria associated with said risk classes for use in determining the preferred relative risk ratios.

37. The system of Claim 36, further comprising means for comparing the prevalence data to industry empirical data for particular combinations of criteria and means for adjusting the stored data to agree with the empirical data.

38. The system of Claim 31, further comprising means for storing data relating to the expected occurrence rates for use in determining the relative risk ratios.

39. The system of Claim 38, further comprising means for comparing the stored data to industry empirical data and means for adjusting the stored data to agree with the empirical data.

40. The system of Claim 31, wherein said one or more preferred risk classes are associated with one or more underwriting criteria, and further comprising means for using the preferred relative risk ratio to determine an impact on a preferred risk class of including in that class one or more risks that do not meet one or more of the underwriting criteria.

41. A method of evaluating an individual risk for inclusion in, or exclusion from, a preferred risk class associated with an insurance product comprising the steps of:

- a) identifying one or more risk classes associated with the insurance product;
- b) determining, for at least one of the risk classes, a relative risk ratio;
- c) determining, for an individual risk, a relative risk ratio; and
- d) comparing the relative risk ratio of the individual to the relative risk ratio of the risk class to determine whether to include the individual risk in, or exclude the individual risk from, the risk class.

42. The method of Claim 41, wherein one or more of said risk classes are associated with a plurality of criteria, and further comprising the step of determining relative risk ratios for subgroups of criteria.

43. The method of Claim 42, wherein the step of comparing the relative risk ratio of the individual to the relative risk ratio of the risk class comprises comparing the relative risk ratio of the individual to one or more of the relative risk ratios determined for the subgroups of criteria.

44. A computerized system for evaluating an individual risk for inclusion in, or exclusion from, a risk class associated with a financial product, comprising:

- a) means for identifying one or more risk classes associated with the financial product;
 - b) means for determining, for at least one of the risk classes, a relative risk ratio;
 - c) means for determining, for an individual risk, a relative risk ratio;
- and
- d) means for comparing the relative risk ratio of the individual to the relative risk ratio of the risk class to determine whether to include the individual risk in, or exclude the individual risk from, the risk class.

45. The computerized system of Claim 44, wherein one or more of said risk classes are associated with a plurality of criteria, and further comprising means

for determining relative risk ratios for subgroups of criteria.

46. The computerized system of Claim 45, wherein said means for comparing the relative risk ratio of the individual to the relative risk ratio of the risk class comprises means for comparing the relative risk ratio of the individual to one or more of the relative risk ratios determined for the subgroups of criteria.